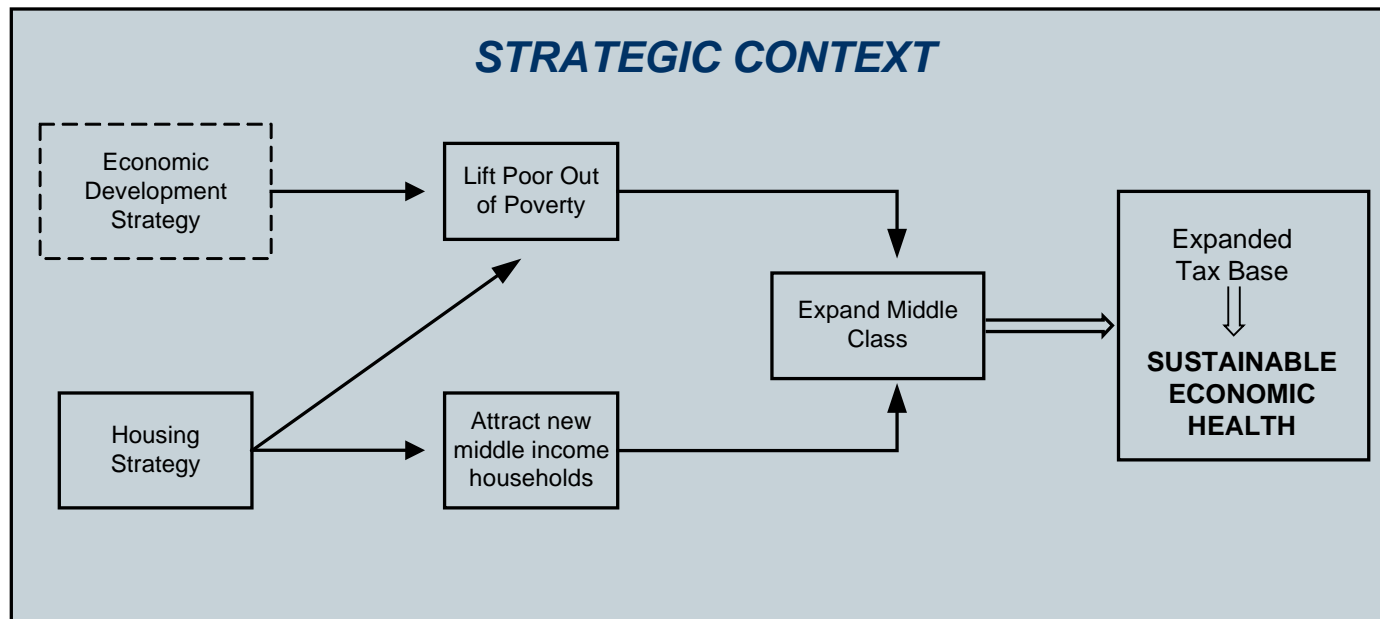


A Vision for Housing in Atlanta: *Great Housing in Great Neighborhoods*



*Prepared by Mayor Shirley Franklin
with the assistance of
the Housing Task Force
August 2002*

Report Outline

Introduction

- * The Charge
- * The Approach

Executive Summary

The Vision

Situational Context

- * The Reality and the Challenges
- * The Opportunities

Financial Context

Recommendations

Priorities – *Next 12 Months*

Appendices

- A: Listing of Participants
- B: Quality of Life Statistics for Atlanta
- C: Rental Housing Affordability Matrices
- D: Homeownership Affordability Matrices
- E: Housing Subsidy Calculations

Introduction

The Charge

Immediately after assuming the position of Mayor of the City of Atlanta, Shirley Franklin invited a small group of practitioners to assist the administration in formulating a series of strategic and tactical recommendations that respond to the City of Atlanta's housing needs. She presented a framework for the City's housing vision and asked the group to begin its work. The Housing Task Force, as the group was eventually labeled, was intentionally assembled to include individuals that were actively engaged in the production and delivery of housing in the marketplace. The group included practitioners that work in a broad cross section of the markets within Atlanta, as distinguished by location of projects, size of projects undertaken, and profile of populations served. (A list of Task Force members is attached in Appendix A of this report).

The Task Force was advised to use the Mayor's vision framework to develop a more comprehensive vision statement, but to direct the bulk of its energy and effort towards producing a report that was both clear and practical, making it useful by the City for implementation of the vision.

The Task Force was asked to focus on housing for working people. While it was recognized that some homeless persons are employed, the Task Force was not charged with the task of developing recommendations for housing for the homeless, since a different Task Force had been organized to focus exclusively on that population.

The Approach

In light of the continuing emergence of Atlanta on the world stage, the City has recently been experiencing a net growth in population, as people have rediscovered the City. As a result, many issues regarding housing and housing policy have arisen, and persons that are passionate about the subject have been actively engaged in making their views known in both formal and informal ways. Thus, much has been written over the past few years across a broad spectrum of thought and opinions about housing in our city. The Task Force was respectful of the diversity of opinions and wanted the benefit of the insights that they offered.

Thus, the Task Force, under the guidance of the Mayor, used the following approach in performing its work:

1. Gain a common baseline of understanding with respect to the regional and local economic issues that impact housing production and delivery in the City of Atlanta.
2. Grounded in that understanding, analyze the Mayor's preliminary vision statement, and recommend revisions, if necessary.
3. Establish a framework for capturing, categorizing and presenting recommendations.
4. Review various papers and reports that are influencing the current regional and local thinking on the subject, and examine relevant housing policies and programs being implemented in other cities.
5. Determine the "market reasonableness" of the recommendations presented in those documents and their applicability, given the financial and economic realities surrounding our local environment.
6. Develop a "preliminary" list of recommendations to help achieve the City's housing vision.
7. Review and test those recommendations within the Task Force, as well as with a sample of external groups and individuals that reflect a cross section of interests and viewpoints.
8. Refine the recommendations based on feedback.
9. Identify the "highest priority" recommendations for the next twelve (12) months.
10. Compile, edit and publish the Report.

Executive Summary

The recognition of two basic facts helps to shape the housing policy proposed by Mayor Franklin's Housing Task Force. Firstly, the extraordinarily large concentration of poverty within the City of Atlanta is very closely linked to the City's difficulty in achieving a higher quality of life for its citizens and to appreciably expand its tax base. When one maps income distribution data against those statistics that measure the health of neighborhoods, such as school quality, safety, presence of parks and other green space, availability of retail goods and services, presence of neighborhood amenities, etc, the linkage becomes even clearer. Secondly, the City of Atlanta has many natural assets on which to build, especially its close-in neighborhoods. Atlanta's population has started to grow again after nearly thirty years of decline, fed in large part by a preference of lifestyle choices favoring shorter commutes and urban cultural assets.

Given that context, the City's housing vision is built on a commitment to “great housing in great neighborhoods” with a two-pronged approach both to revitalize existing neighborhoods for existing residents and to expand the size of the City's middle class. Not lost in the vision is the realization that, over the long term, the most effective means of expanding the size of the City's middle class must include both attracting new middle-income residents into the City and implementing an effective economic development strategy that helps to lift some of the existing low-income residents out of poverty. As Atlanta grows, it cannot afford the subsidies that would be required to maintain the relative concentration of poverty that currently exists.

The cornerstone of the housing vision---of an Atlanta built around great neighborhoods---is great schools and quality housing. Aside from the obvious benefits to families, housing is an enormous economic generator locally, and a fundamental, stabilizing element in communities. The challenge is, to the extent that we have influence or funds to deploy, to facilitate the production of quality housing in strategically important locations and to target our resources to maximize community development impact. Such targeting must not employ a “one size fits all” strategy, as each neighborhood in the City is not in the same position of health and, therefore, not in the same position of need.

As the Task Force examined the make-up of Atlanta's work force and its housing needs, it became apparent that the work force could be broken into at least three primary groups. One group earns in excess of 80% of the Area Median Income (“AMI”). These are households with annual incomes of \$56,000 or greater. This middle-income group requires little to no subsidy, but is simply seeking homeownership and higher end housing choices in attractive neighborhoods. The housing challenge faced by those in this group seeking an urban lifestyle is the scarcity of product. Thus, ensuring that the market-driven housing production and delivery system does not lose any of its recent momentum is paramount.

The second group earns between 30% and 80% of the AMI, equivalent to between \$21,360 and \$56,960 in 2002 for a family of four. It is in this group, as well as the lower end of the income range for the first group, that we can expect to find families that include many of our fire fighters, police, teachers, nurses and young professionals that are just entering the corporate work force. At the low end of this income range, households are challenged to find good quality rental housing that is affordable to them. At the higher end of the income range, they are challenged to find first time home buying opportunities or higher-end rental housing in attractive neighborhoods within the City that can compete with the options that are available outside of the City. Thus, they tend to live outside of the City, where they often are able to take advantage of better quality public schools, parks, neighborhood services, etc. They, in turn, commute long distances to and from the City for work. This group includes the core of the middle-class and its expansion is critical to the long-term viability of the City.

The third group earns below 30% of the AMI. They have the lowest incomes in the work force and, therefore, have very few housing options. They tend to live in substandard, or barely acceptable, housing in dilapidated neighborhoods. They live in many of the underserved neighborhoods in the City and need the public transportation services that are available. Given their financial position, they have limited school choices. Thus, their children usually attend the local public schools, regardless of the quality of the schools. This group requires large subsidies per household in order to gain access to good rental housing, and lacks the financial resources to be able to afford homeownership.

In developing its recommendations to move the City from its existing conditions towards the fulfillment of its housing vision, the Task Force embraced five major themes, as follows:

- * Encourage the recent positive trend of more families and individuals moving back into the City to live.
- * Revitalize our existing neighborhoods for our existing residents, particularly our seniors.
- * Link our housing efforts to the other building blocks of healthy communities---quality schools, safe streets, parks, employment centers, and pedestrian links to retail and community service centers that support comfortable human interaction.
- * Strategically target public investment in certain selected neighborhoods.
- * Position Atlanta as a leader in creating a regional vision for housing.

It is axiomatic that quality housing in Atlanta is costly to produce; that the City's resources are severely limited; and that the need is enormous. Indeed, our detailed analysis confirms a common sense notion that for any housing policy to be effective, we must strategically target our resources. Absent the convergence of interests of a rational and principled housing policy and the market-driven housing production and delivery systems, the vision of great housing in great neighborhoods cannot be achieved. We must be mindful not to let the urgent need for solutions create policies that choke off the housing production momentum that currently exists. Ultimately, it is Atlanta's ability to develop, attract and retain a sizeable population of middle-income residents that will determine whether Atlanta will become and remain economically healthy in the future.

Accordingly, guided by the need to respect the practical realities of the marketplace, while pursuing the grand vision of the "beloved community" to which we aspire for all of the citizens of Atlanta, the Task Force developed a set of prioritized recommendations. While the detailed recommendations are presented later in this document, they may be summarized under six strategic actions. They include:

1. **Improve the Regulatory Process for Housing, including Permitting, the Tree Ordinance, NPU approvals, etc.**
2. **Target and leverage the City's housing resources.**
3. **Emphasize housing for working households.**
4. **Protect and expand housing options for senior citizens.**
5. **Establish Coalitions and Strategic Alliances to create "great neighborhoods" through an improved quality of life.**
6. **Appoint a Housing "Czar" to implement this housing vision.**

The Vision

*Housing is the bedrock of any healthy community. My vision for housing in the City of Atlanta can be summed up by the phrase “**great housing in great neighborhoods**”. Atlanta is anchored by her neighborhoods--those special areas in our town that have been called Atlanta’s “crown jewels”. These ideal neighborhoods contain ample green space for play and relaxation, safe streets, a wide diversity of people, a network of pedestrian paths and sidewalks, small-scale retail and restaurants, great schools, houses of worship, and workforce and more upper scale housing in the same neighborhood. Neighborhoods that possess many of these attributes include Inman Park, Garden Hills, Cascade Heights, Morningside, among others. Creating more of these healthy communities through the provision of great housing, both for existing and new residents, is what my housing policy is all about.*

However, I have to be honest: I love Atlanta as much as anyone, but that vision is not a reality today in far too many of our neighborhoods.

Our housing policy emphasizes housing for working persons, which reflects our belief in the private market, while recognizing the role of the public sector to encourage development in areas neglected by the private market. We know that creating and sustaining an entire range of housing choices is necessary in a well-functioning, intergenerational community. In particular, we recognize that Atlanta must provide more lower and middle-income housing options.

Because I believe in Atlanta, I know that we can get from today’s reality to tomorrow’s dream. I know the people, the “can do” heritage and the power of the inspiring and uniting vision of the Beloved Community that Martin Luther King described. The cornerstone of this vision--of an Atlanta built around great neighborhoods---is quality housing. Here is what we propose to do.

First, we want to encourage the recent trend of more families and individuals moving back into the City to live. When the attraction of a vibrant urban lifestyle provides a reason for homebuyers and renters to consider locating in the city, they find enormous value here, and they are moving here. This is extremely positive and to encourage this strong trend, we will reform our housing production system at every juncture so that builders will build and families will rent and buy.

Second, we are equally determined to revitalize our neighborhoods for our existing residents. We will target our current resources to accomplish this and to enable existing residents -- particularly our seniors---to stay in their homes even as rising property values and other factors might otherwise have forced them out. We will also seek ways to provide more alternatives for our seniors if they wish to move to senior housing or assisted living facilities in their neighborhoods.

Third, we will link our housing efforts to the other building blocks of healthy communities---quality schools, safe streets, parks, employment centers, and neighborhoods with retail establishments to which you can walk. In particular, because school quality is such a critical factor in making housing choices, I pledge that I will work more closely with the Atlanta Public Schools system to transform our schools. We also know that housing is underpinned by income that supports it. Hence, we are determined that our current residents---many of whom live near the region’s single largest employment base---should have the requisite skills to compete for locally available jobs---that means education, training and job skills development programs. In areas in which the City can influence growth, such as the robust airport corridor, we will use our influence to ensure that housing for the work force is a part of any Master Development Plans.

Fourth, we will demonstrate the power of healthy communities by strategically targeting public investment and public policy in certain selected neighborhoods. Growing the tax base by developing housing that is attractive to many of the region's population is a part of a sound local economic development strategy. To accelerate the creation of better communities, we will tailor specific investment strategies to fit a range of conditions found in our neighborhoods. For instance, we will support and reinforce neighborhoods that are undertaking comprehensive revitalization initiatives, promote homeownership in neighborhoods with a high degree of rental, and encourage mixed-income housing development in neighborhoods experiencing an influx of newcomers.

Finally, Atlanta can be the leader in creating a regional vision for housing. Just as we have recognized that water, sewer and transportation systems are inherently regional in scope, we understand that close dialogue and cooperation with our neighboring jurisdictions to plan for housing development and balanced growth is also necessary. A new *regional* vision of growth to serve our great city should combat sprawl, emphasize balanced growth and mixed-income housing, and preserve and expand parks and green space. At the center of this vision is quality housing---mixed-income communities for working persons and families, and scattered nodes of higher-density housing. I pledge to be a leader in instigating these discussions.

We have a unique opportunity to improve our housing, our neighborhoods and our City's future. Atlanta is already recognized as a national leader in utilizing mixed-income housing to spur revitalization in surrounding communities. Now, with a strong, diverse economy and a rebounding housing market, together---the private sector and my administration---we can implement an enlightened housing policy to create healthy communities---both for our existing residents and for newcomers. Together, we can create the Beloved Community for *all* citizens of Atlanta.

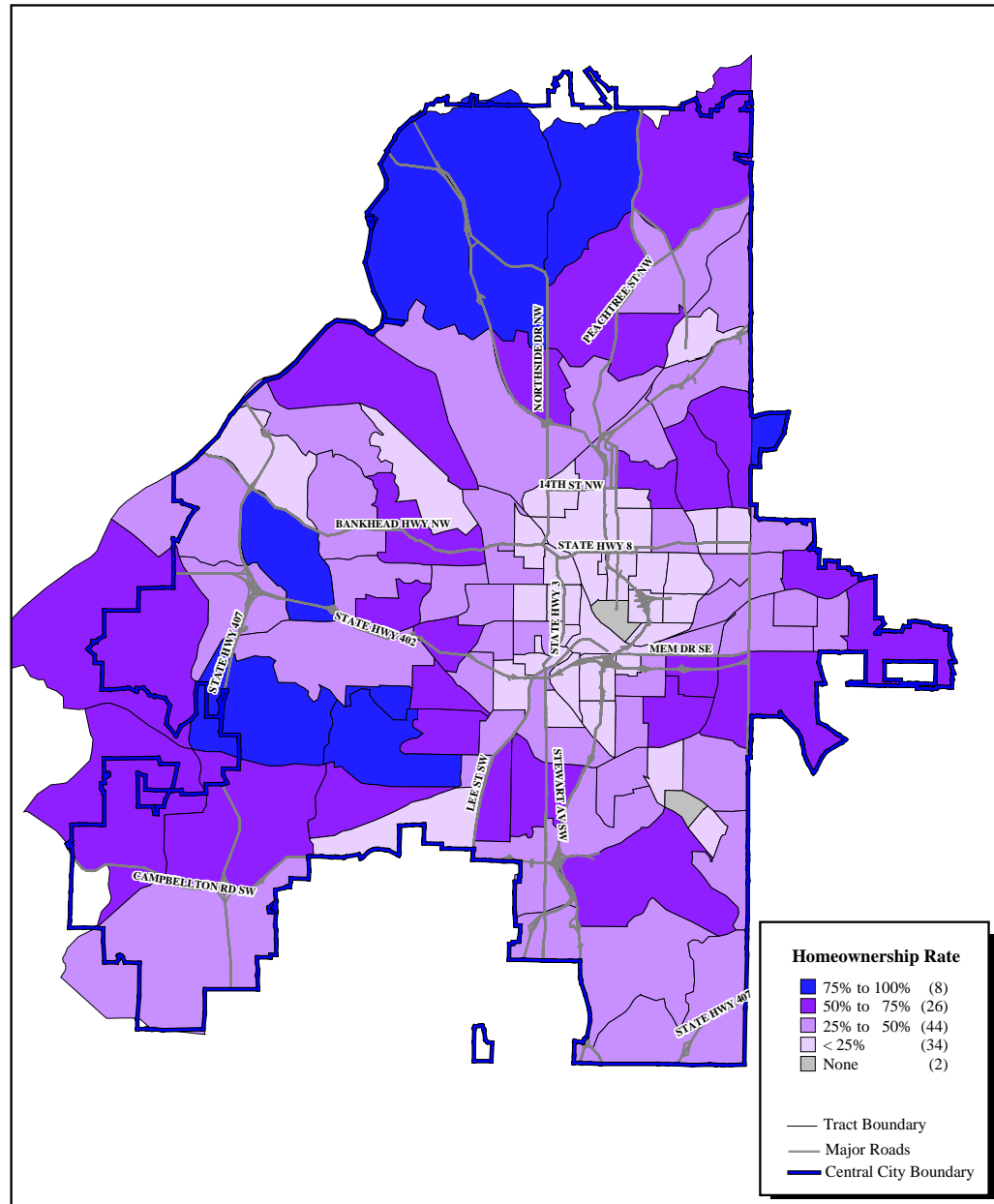
Situational Context

The Reality and The Challenges

- **Atlanta is the fifth poorest major city in the country.**
- **A sea of prosperity surrounds Atlanta.**
 - Atlanta's median household income of \$50,034 for a family of four is 30% below the region's \$71,200.
- **Atlanta has not benefited from the region's strong economic growth.**
 - During the 1990's, the region added 492,000 net jobs, Atlanta only 34,000.
 - Atlanta's unemployment rate is 57% higher than the region's.
- **There is a sizable gap between wages and affordable housing costs, making it impossible for many working families to afford to live in the City.**
 - The median sales price of a new home is \$169,000.
 - The average monthly rental on new apartments is \$900.
 - This new housing is too expensive for the police (\$32,800), firefighters (\$26,000) and school teachers (\$34,000) on starting salaries to afford.
- **Our region remains racially segregated.**
 - Atlanta has been analyzed as the most segregated major city in the country.
- **By many measures of quality of life, many of Atlanta's neighborhoods are failing.**
 - Our schools ranked 154th out of 172 systems in Georgia and Georgia ranked 50th out of 51 states and the District of Columbia.
 - We have the smallest amount of park space per resident of any major city.
 - Atlanta ranks last among the 25 major cities as a "Kid Friendly City".
 - Atlanta workers experience the fourth longest commuting times in the nation.

The following maps provide a picture of the "real" Atlanta as it exists today with respect to income distributions, homeownership rates and educational attainment.

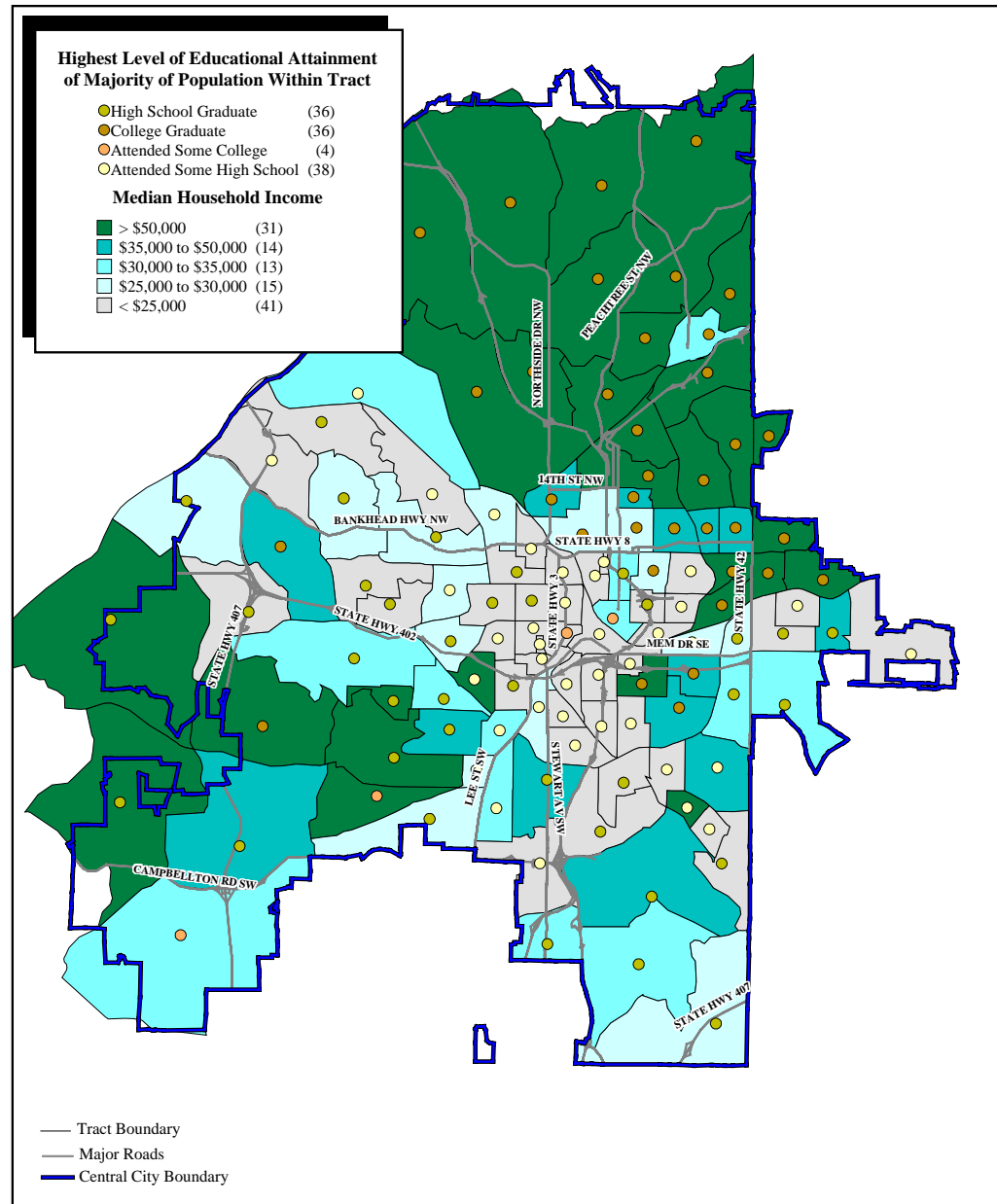
Homeownership Rate* by Census Tracts City of Atlanta, GA



* Based on 2001 projected Census data - Claritas, Inc.
© 2002 Fannie Mae. All Rights Reserved.

Prepared by Market Research/GIS, Fannie Mae - 05/31/02

Median Household Income & Educational Attainment* by Census Tract City of Atlanta, GA



* Based on 2001 projected Census data - Claritas, Inc.
© 2002 Fannie Mae. All Rights Reserved.

The Opportunities

- **Atlanta is a leader in creating mixed income communities.**
 - Atlanta Housing Authority's ("AHA's") development program will result in fifteen new mixed-income communities with almost 8,000 new housing units.
 - In addition to its participation in some of the AHA-sponsored communities, the State's Department of Community Affairs ("DCA") has directed housing resources to create another twenty (20) mixed-income communities with over 3,000 units.
- **Atlanta is positioned to gain jobs from the coming economic recovery.**
- **Atlanta is a hot housing market again.**
 - During the past three years, 16,000 new housing units were built in the city.
 - Only four (4) other major cities experienced population growth in the 1990's.
- **The Community Development Corporations ("CDC's") in Atlanta have significantly expanded their capacity and are leading the way in redeveloping many of the City's neighborhoods.**
- **School reform is underway, through coordinated strategic efforts that are already showing positive results.**
- **Atlanta is already seeing important momentum for new parks.**
 - A partnership between the City of Atlanta, the Trust for Public Land and others is being formed to improve the amount of the City's green space.
- **Some of Atlanta's neighborhoods are already making a comeback.**
- **Atlanta has one of the largest concentrations of institutions of higher learning of any major city.**
 - Institutions include Morehouse, Spelman, Emory, Georgia State, Georgia Tech, Clark/Atlanta, Morehouse School of Medicine, among others.
- **Atlanta was a dramatically safer city during the past decade.**
 - Crime has decreased by more than 53% since 1993.
- **The transportation framework on which to build is already in place.**
 - The MARTA system gives us a framework on which to add new transportation options.
 - Increased regional bus systems and GRTA will add to public transit options.

Financial Context

Assumptions:

*	Median Home Sale Price:	\$169,000
*	Average Apartment Rent	\$900/Month
*	City of Atlanta Median Income	\$50,034 for Family of Four (4)
*	Housing Crisis means that 30% or more of the household's Adjusted Income goes towards housing costs	

Facts:

1. The City could not afford to recreate itself today. It must define the community demographic profile that it wants to achieve over time and work intentionally to get there.
2. Given Fair Market Rents for Existing Housing, many families of 3 or more persons earning less than 60% of the Atlanta Median Income cannot afford these units.
3. Given Fair Market Rents for New Construction, most families of all sizes earning less than 60% of the Atlanta Median Income cannot afford these units.
4. Home Ownership Affordability is not achieved at the Median Home Sales Price until Income approaches 100% of the AMI.
5. Based on the current income distributions in Atlanta for households earning between 0% and 80% of Atlanta AMI, it would cost approximately \$200 Million per year in subsidy to make new rental housing affordable to every household.
6. Based on the current income distributions in Atlanta for households earning between 0% and 80% of the Atlanta AMI, it would cost approximately \$3 Billion in subsidy to make homeownership achievable for every household.
7. The primary low-income housing subsidy programs in the City – the “HOME” and Community Development Block Grant (“CDBG”) programs – accounted for less than \$6 million in 2001.
8. The current Housing Enterprise Zone Designation (“HEZ”), with its Tax Abatement provisions, provide limited benefit to induce the production of housing for the work force, as City of Atlanta taxes account for only 14% of the tax bill, while Fulton County accounts for an additional 30% and Atlanta Public Schools accounts for an additional 39%.

See Exhibit C, D and E for detailed presentation of data.

Recommendations

Like most major cities, the City of Atlanta is faced with the challenge of trying to provide housing for its work force and its retired or retiring seniors. The work force, which includes people across a broad range of incomes, is confronted with the reality that a substantial portion of the City's housing stock is either substandard, unaffordable, in dilapidated neighborhoods or some combination of these. That work force includes our schoolteachers, fire fighters, police officers, nurses, workers in the hospitality industry, and young people beginning their careers in business or government. They are, in general, people who work and earn a living in Atlanta, but have difficulty finding housing that they can afford. Also challenged are our seniors with fixed incomes who want to remain in their homes as their neighborhoods improve.

As noted in the Executive Summary, the Task Force broke the work force into three (3) groups and targeted its recommendations accordingly. One group earns in excess of 80% of the Area Median Income ("AMI"). The AMI for a family of four is \$71,200 in 2002. This group requires little to no subsidy, but is simply seeking homeownership and higher end housing choices in attractive neighborhoods. Since the challenge that is faced by those in this group that are seeking an urban lifestyle is the scarcity of product, ensuring that the market-driven housing production and delivery system does not lose any of its recent momentum is paramount.

The second group earns between 30% and 80% of the AMI. It is in this group, as well as the lower end of the income range for the first group, that we can expect to find families that include many of our fire fighters, police, teachers, nurses and young professionals that are just entering the corporate work force. At the low end of this income range, households are challenged to find good quality rental housing that is affordable to them. At the higher end of the income range, they are challenged to find first time homebuyer opportunities or higher-end rental housing in attractive neighborhoods within the City that can compete with the options that are available outside of the City. Thus, they tend to live outside of the City, where they often are able to take advantage of better quality public schools, parks, neighborhood services, etc. They, in turn, commute long distances to and from the City for work. This group is the core of the middle-class and its expansion is critical to the long-term viability of the City.

The third group earns below 30% of the AMI. They have the lowest incomes in the work force and, therefore, have very few housing options. They tend to live in substandard, or barely acceptable, housing in unattractive neighborhoods. They live in many of the underserved neighborhoods in the City and need and use most of the public transportation services that are available. Given their financial position, they have limited school choices. Thus, their children usually attend the local public schools, regardless of the quality of the schools. This group requires large subsidies per household in order to overcome their housing challenges and access good rental housing, and is far removed from being able to afford homeownership.

The recommendations of the Housing Task Force propose a range of strategic and tactical actions that are designed to increase the availability of housing in all areas of the City to accommodate the breadth of the City's work force and preserve housing for our seniors. All of the recommendations are presented below, while the priorities for the next twelve (12) months are presented in the next section of this report.

Strategy I

Fix the permitting and approval system for housing by removing the tangle of administrative and legislative barriers that currently work against the implementation of the City's housing vision and create needless cost and delay.

Tactical Actions

1. With the volunteer assistance of the Atlanta District Council of the Urban Land Institute ("ULI"), improve the City's permitting process to make it more customer-service oriented.
2. Revise and standardize the Neighborhood Planning Unit ("NPU") governance structure and the process for providing public comment.
3. Rationalize the Tree and Stream-bank Buffer Ordinances to eliminate inconsistencies and to streamline the processes.
4. Streamline the underwriting and administration processes for the CDBG, HOME and Section 108 Loan Programs to accelerate their timeliness and performance.
5. Streamline the process for clearing tax liens and other encumbrances, and sell or transfer those liens to the Land Bank Authority through a mechanism or process that supports the development of housing for the work force.
6. Work with the Empowerment Zone Board to streamline the delivery of Empowerment Zone resources.
7. Strengthen and enforce the City's Housing Code Enforcement program, particularly in low-income neighborhoods with the greatest need for improvement.
8. Ensure future consistency and compatibility between the City's Comprehensive Development Plan, the Consolidated Plan and the neighborhood redevelopment plans.
9. Identify legislative resources that are specifically targeted to support the implementation of the City's housing vision.

Strategy II

Target, leverage and coordinate the City's housing resources to greatly improve their effectiveness.

Tactical Actions

1. Identify new funds and develop new tools to implement the City's expanded housing vision by working with the State's Department of Community Affairs ("DCA"), the Federal Home Loan Bank, Fannie Mae, the Urban Residential Finance Authority ("URFA"), Atlanta Development Authority ("ADA"), Atlanta Neighborhood Development Partnership ("ANDP"), Enterprise Foundation, United Way of Metropolitan Atlanta and others.
2. Establish a Housing Trust Fund to receive and allocate new sources of funding and financing for the development of housing, consistent with this housing vision.
3. Collaborate with Fulton County, Dekalb County and Atlanta Public Schools ("APS") on the application of all tax-based incentives such as the designation of Housing Enterprise Zones ("HEZ's"), and Tax Allocation Districts ("TAD's") etc., for housing development within the City of Atlanta.

4. Create a Master Inventory of all City-owned surplus land parcels.
5. Reform and empower the Atlanta-Fulton County Land Bank Authority as the recipient of all tax delinquent inventory, except for housing occupied by low-income seniors, for deployment as part of the City-sponsored housing initiatives.
6. Consider legislation to encourage the development of vacant or underdeveloped, privately owned land.

Strategy III

Emphasize housing for working persons.

Tactical Actions

These tactical actions are designed to direct the majority of the new rental housing stimulus resources towards working persons on the lower economic end of the 30% to 80% of the AMI income range, while directing the majority of the homeownership stimulus resources towards persons on the higher end of that income range. Rental housing subsidies using Community Development Block Grant ("CDBG") and HOME funds will continue to be directed towards households earning below 50% of the AMI and, in fulfillment of a campaign pledge, no less than 75% of CDBG funds will be directed towards housing activities.

1. Establish a single comprehensive ***Homeownership Stimulus Program*** that targets:
 - a. 10% of the City resources that have been designated for homeownership production towards families earning between 50% and 60% of AMI (\$35,600 - \$42,720 for a family of 4),
 - b. 80% of the City resources that have been designated for homeownership production towards families earning between 60% and 80% of AMI (\$42,720-\$56,950 for a family of 4), and
 - c. 10% of the City resources that have been designated for homeownership production towards families earning between 80% and 100% of AMI (\$56,960 - \$71,200 for a family of 4).
2. Establish a single comprehensive ***Rental Housing Stimulus Program*** that targets:
 - a. 20% of the City resources that have been designated for rental housing production (excluding the CDBG and HOME funds) towards households earning less than 50% of AMI (\$35,000 for a family of 4),
 - b. 20% of the City resources that have been designated for rental housing production (excluding the CDBG and HOME funds) towards households earning between 50% and 60% of AMI (\$35,600 - \$42,720 for a family of 4), and
 - c. 60% of the City resources that have been designated for rental housing production (excluding CDBG and HOME funds) towards households earning between 60% and 80% of AMI (\$42,720 - \$56,960 for a family of 4).

3. Establish a single ***Low-Income Rental Housing Subsidy Program*** that ties the portion of CDBG and HOME funds that are dedicated to the production or preservation of rental housing towards households at or below 50% of AMI, as follows:
 - a. 40% serving households between 40% and 50% of AMI (\$28,480-\$35,600 for a family of 4),
 - b. 50% serving households between 30% and 40% of AMI (\$21,360 - \$28,480 for a family of 4), and
 - c. 10% serving households below 30% of AMI (\$21,360 for a family of 4).
4. Acquire vacant land in gentrifying neighborhoods in order to provide sites for housing for the work force.
5. Implement a coordinated ***Rehabilitation Program***, both for existing homeowners and for small rental properties, that gives preference to housing for working persons earning from a marginal income up to 80% of AMI, especially in neighborhoods where other more comprehensive quality of life initiatives are taking place.
6. Provide public improvements assistance (e.g. sidewalks, sewer upgrades) in the public right-of-way to support projects that address the housing needs of the City's work force.
7. Promote and support the development of mixed-income housing (i.e., housing that is attractive to the entire work force) as an essential component of a quality neighborhood, as mixed-income communities are able to leverage public funds with private capital.
8. Where practical, in areas of the City where there is a deficiency of housing for the work force, and where there is not an extreme concentration of low-income housing:
 - a. Preserve the stock of existing low-income housing.
 - b. Encourage and facilitate the development of housing on infill sites with vacant lots, abandoned buildings or in properties that are being adaptively reused.
 - c. Provide incentives to landlords to preserve "*qualified*" Section 8 units with expiring Housing Assistance Payments (HAP) contracts as affordable.

9. In areas where there is a heavy concentration of low-income housing, reduce the relative concentration of low-income units by:
 - a. Using financial incentives to attract middle-income households into new development efforts, and/or
 - b. Supporting the repositioning of large, very low-income housing development into mixed-income communities through the use of financial incentives and other tools.

Strategy IV

Protect the housing options for the City's senior and disabled citizens.

Tactical Actions

1. Provide a one-time deferral of delinquent taxes for senior and disabled citizens that have been long-time homeowners, with such deferred taxes to be repaid at the time that the home is sold or transferred. Ensure that extensive outreach and education is provided in order to reach a maximum number of eligible households.
2. Phase in the tax impact of increased assessments on low-income, long-time homeowners in neighborhoods that are going through revitalization, and ensure that extensive outreach and education is provided in order to reach a maximum number of eligible households.
3. Increase the Homestead Exemption for long-time, low-income households and ensure that extensive outreach and education is provided in order to reach a maximum number of eligible households.
4. Collaborate with the secondary market to explore the use of a "reverse" mortgage program for seniors to be able to recapture equity from their properties.

Strategy V

Establish the Coalitions and Strategic Alliances necessary to create the quality of life outcomes that result in "great neighborhoods".

Tactical Actions

1. Partner with the Atlanta Public Schools and the business community to implement reforms that will create dramatic improvement in neighborhood schools, making our communities attractive for families and children.
2. Rebuild relationships with the Department of Housing and Urban Development ("HUD").
3. Strengthen the relationship between the City and the Community Development Corporations ("CDC") to facilitate their neighborhood revitalization efforts.
4. Partner with the Atlanta Housing Authority ("AHA") to continue to address the extreme concentrations of very, very low-income households and to foster the creation of mixed-income community solutions.

5. Partner with the private business community, in collaboration with the Metro Atlanta Chamber of Commerce and other economic development organizations, to expand job opportunities. Coordinate the resources that are available in Atlanta for training and skills development to improve the economic well-being of Atlanta's poorer households and move individuals to "livable" wages.
6. Leverage neighborhood revitalization efforts and promote partnerships between the City's Department of Parks and Recreation, the Trust for Public Land, foundations and other organizations that support park development and maintenance to expand the park lands in neighborhoods.
7. Where appropriate, establish a Collaboration Agreement between the Atlanta Police Department, the Ambassadors and the security forces of various public or quasi-public institutions in the city in order to expand and enhance neighborhood-focused public safety efforts. More generally, community-policing efforts should be expanded with verifiable outcomes.
8. Establish a Coalition in partnership with the Atlanta District Council of the Urban Land Institute to:
 - a. Develop and implement an Inclusionary Zoning Code that encourages the inclusion of housing for the work force in the development plans that are being undertaken across the City, and
 - b. Advocate for regional cooperation in the creation of housing for the work force, encouraging other local jurisdictions to include such housing in the normal process of developing communities.
9. Coordinate efforts with other public entities (APS, MARTA, Fulton County, Dekalb County, etc.) to include housing for the work force, as their surplus properties are being developed for housing or for a mix of uses that includes housing.
10. Collaborate with the other major and/or strategic employers in the City to promote employer-assisted housing.

Strategy VI

Install a Housing Czar with the authority to implement the City's housing vision.

Tactical Actions

The following tactical actions are the responsibility of the Housing Czar:

1. On an annual basis:
 - a. Complete a Score Card, reflecting the past year's performance against the goals outlined within this document.
 - b. Prepare a recommendation for the allocation of the City's housing resources that are to be directed towards homeownership and rental housing production between "stimulus" or "subsidy" uses in an effort to achieve the proper balance between both (a) need and (b) strategic desired outcomes. The recommendation should take into account the extent to which neighborhoods are strategically addressing their quality of life needs and should reflect the unique needs of the targeted neighborhoods, avoiding a "one size fits all" approach.
2. Prepare an evaluation tool for measuring the effectiveness of the City systems and processes in facilitating the implementation of the City's housing vision.

3. Develop an efficient, cost-effective process for expediting CDC-sponsored housing redevelopment initiatives particularly those strategically situated, small-scale multi-family rental projects.
4. Devise a plan to maintain affordability on a percentage of the units that are developed pursuant to City-sponsored housing programs.
5. Monitor compliance on City-sponsored housing programs.
6. Establish a "Housing Cabinet" that includes all of the public entities in the City that are involved in the financing, development and production of housing and regularly assemble that group in order to address issues, review housing policy, coordinate resources, build trust and relationships and keep the strategy current.

Priorities – Next 12 Months

Efforts to create balanced housing production across the City have been thwarted by the lack of a coordinated housing policy, and an implementation approach that was not outcome focused. A significant amount of the legislation that has recently been enacted to advance the goal of improving the effective and efficient production and delivery of housing actually works at odds with that very goal. Thus, the Task Force has identified a number of actions that it is recommending be undertaken during the 12 months following the publication of this Report by the Mayor, and its adoption by the legislative branch of the City.

During the first twelve (12) months, it is suggested that the “high priority” recommendations (see highlighted items) be started. They include:

1. *Fix the “System”.*
 - * Make the *Permitting Process* more customer-service oriented.
 - * Standardize the *NPU Process*
 - * Rationalize the *Tree Ordinance*.
2. *Target and leverage the City’s housing resources.*
 - * Convene meetings to *explore new sources of funds for financing housing*.
 - * Establish a *Housing Trust Fund*.
 - * Collaborate with the other relevant local governments on *all tax-based incentives*.
 - * Inventory all *City-owned surplus property* for redevelopment.
 - * *Reform the Land Bank Authority* and the lien clearance processes.
3. *Emphasize housing for working persons.*
 - * Establish a *Homeownership Stimulus Program* for middle-income residents.
 - * Establish a *Rental Housing Stimulus Program* for middle-income residents.
 - * Consolidate the City’s *Low-Income Rental Housing Subsidy* programs.
 - * Establish a *Rehabilitation Program*.
4. *Protect the housing options for the City’s senior citizens.*
 - * Provide a one-time *deferral of delinquent taxes*.
 - * *Phase in the tax impact* of increased assessments on low-income senior citizens.
 - * Expand the number of households participating in the *Homestead Exemption*
5. *Establish Coalitions and Strategic Alliances to create “great neighborhoods”.*
 - * Partner with *APS for school transformation*.
 - * Partner with *AHA for revitalization of large public housing sites*.
 - * Partner with the *Chamber of Commerce on work force development strategies*.
 - * Coordinate efforts between *APD and other security forces for better policing*.
 - * Collaborate with *ULI on an Inclusionary Zoning Code and regional cooperation*.
 - * Work with the private sector to *promote employer-assisted housing programs*.
6. *Install a Housing Czar with the authority to implement the City’s housing vision.*
 - * Prepare a recommendation for the *allocation of the City’s housing resources*.
 - * Develop a process for *expediting CDC-sponsored housing redevelopment initiatives*.

APPENDIX A: Listing of Participants

Mayor's Housing Task Force

Lawrence Anderson, Vice President – *The Enterprise Foundation*
Ken Bleakly, President – *Bleakly Advisory Group*
Hattie Dorsey, President and Chief Executive Officer – *Atlanta Neighborhood Development Partnership*
Greg Giornelli, Chief of Policy – *City of Atlanta*
Renee' Lewis Glover, Executive Director – *Housing Authority of the City of Atlanta*
Bruce Gunter, President - *Progressive Redevelopment, Inc.*
Archibald Hill, Director – Fannie Mae – *Atlanta Partnership*
Carol Jackson, Executive Vice President – *Federal Home Loan Bank*
Robert Lupton, President – *FSC Urban Ministries*
Michael McGwier, Group Managing Partner – *Trammell Crow Residential*
Egbert L.J. Perry, Chairman and Chief Executive Officer – *The Integral Group, LLC*
Mtamanika Youngblood, Senior Vice President – *United Way of Metropolitan Atlanta*

Other Participants

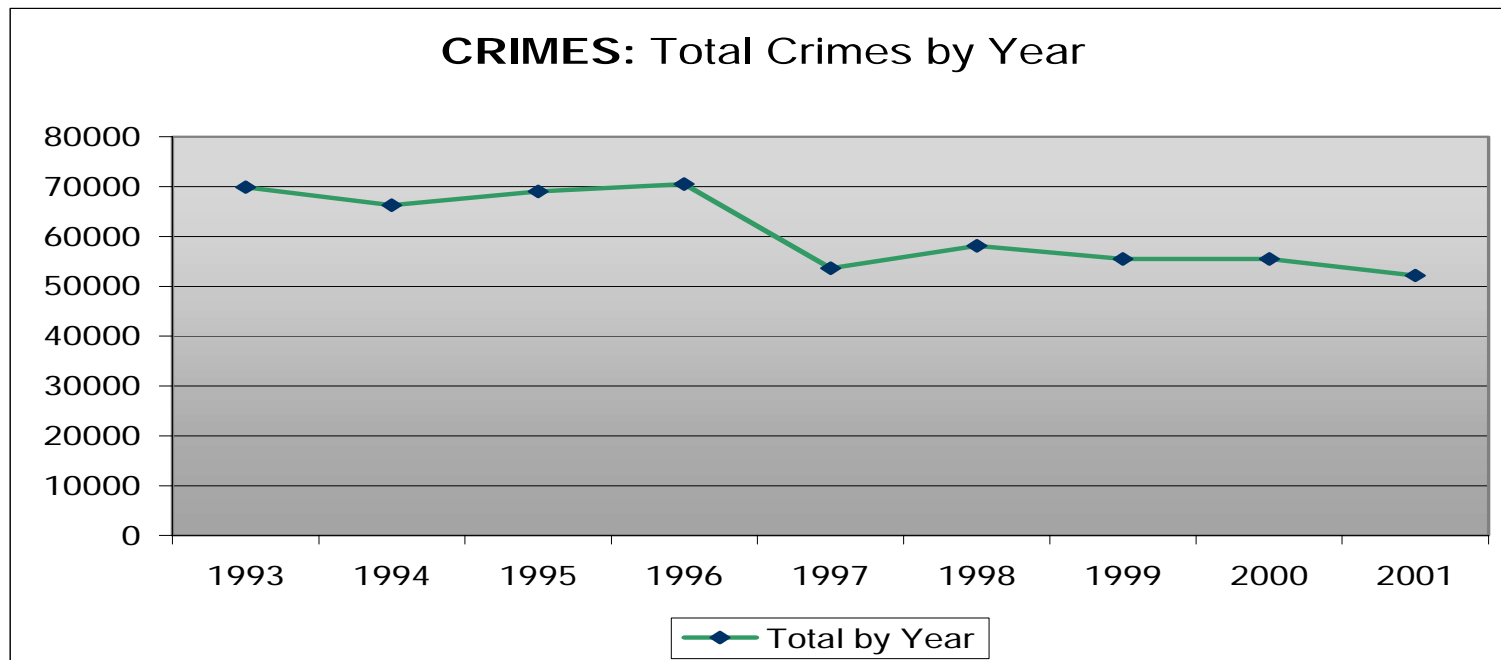
Special thanks are extended to the following individuals and organizations for their input and early feedback on the recommendations:
The State of Georgia Department of Community Affairs – Laura Meadows, Commissioner, and Robin Meyer, Director, Housing Finance Division
City's Planning Department – Commissioner Michael Dobbins, Beverly Dockery-Ojo, Phil Smith
Ms. Cleta Winslow, Councilwoman and Chair, Community Development Committee
The Executive Committee of AHAND and several Community Development Corporations
Jim Durrett, Atlanta District Council, Urban Land Institute
The Atlanta Apartment Association
Central Atlanta Progress
Atlanta Home Builders Association, Inc.
Members of the Gentrification Task Force
Atlanta Housing Forum, under the leadership of Bill Bolling

APPENDIX B: Quality of Life Statistics for Atlanta (Cont'd)

Percent of persons below poverty in cities of population of 200,000 or more

CITY	PERCENTAGE	RANK
Detroit	32.4	1
New Orleans	31.6	2
Miami	31.2	3
Cleveland	28.7	4
Atlanta	27.3	5
Newark	26.3	6
Baton Rouge	26.2	7
Buffalo	25.6	8
El Paso	25.3	9
Birmingham	24.8	10

Source: U.S. Bureau of Census, 1992



Source: Police Department, City of Atlanta

Acres of Park/Open Space per 1,000 Residents: 2000

Intermediate-Low Density Cities

City	Population	Acres/Open Space	Acres/1000
El Paso	564,000	26,372	46.8
Albuquerque	449,000	17,746	39.5
Austin	657,000	25,568	38.9
Phoenix	1,321,000	36,501	27.6
Colorado Springs	361,000	9,319	25.8
Columbus	711,000	15,540	21.9
Louisville	694,000	13,945	20.1
Wichita	344,000	6,773	19.7
Fort Worth	535,000	10,148	19.0
Dallas	1,189,000	21,828	18.4
Tulsa	393,000	7,110	18.1
Memphis	650,000	11,025	17.0
Indianapolis	792,000	13,239	16.7
Milwaukee	940,000	13,239	16.7
Houston	1,954,000	21,964	11.2
New Orleans	485,000	5,180	10.7
San Antonio	1,145,000	12,028	10.5
Tampa	303,000	3,146	10.4
Tucson	487,000	3,945	8.1
Mesa	396,000	3,035	7.7
Atlanta	416,000	3,147	7.6

Source: *The Trust for Public Land*

Ranking of the 20 most Racially Segregated Cities from Most to Least: 1990

1. Atlanta, GA
2. Cleveland, OH
3. Detroit, MI
4. Chicago, IL
5. Gary, IN
6. Jackson, MS
7. Baltimore, MD
8. Washington, DC
9. St. Louis, MO
10. Birmingham, AL

Source: *University of Michigan*

APPENDIX C: Rental Housing Affordability Matrices

Fair Market Rents for Existing Housing @ 50% of Area Median Income

Area Median Income:				\$	71,200				for family of 4				
City Median Income:				\$	50,034				for family of 4				
				Adjusted Median at				50% of AMI					
	Monthly		Minimum	\$	71,200	\$24,920	\$28,480	\$32,040	\$35,600	\$38,448	\$41,296	\$44,144	\$46,992
Unit	Fair Market	Utility	Affordable			1	2	3	4	5	6	7	8
Size	Rent	Allowance	Income	\$	50,034	\$17,512	\$20,014	\$22,515	\$25,017	\$27,018	\$29,020	\$31,021	\$33,022
Eff	\$390	\$45	\$17,400	Percent of adj. Income		18.78% 26.72%							
1Br	\$421	\$58	\$19,160	Percent of adj. Income		20.27% 28.85%	17.74% 25.24%						
2Br	\$544	\$71	\$24,600	Percent of adj. Income			22.92% 32.62%	20.37% 28.99%	18.34% 26.09%				
3Br	\$743	\$90	\$33,320	Percent of adj. Income				27.83% 39.60%	25.04% 35.64%	23.19% 33.00%	21.59% 30.72%		
4Br	\$895	\$109	\$40,160	Percent of adj. Income					30.17% 42.93%	27.93% 39.75%	26.01% 37.01%	24.33% 34.62%	22.85% 32.52%

Fair Market Rents for New Construction @ 50% of Area Median Income

Area Median Income:				\$	71,200	for family of 4							
City Median Income:				\$	50,034	for family of 4							
						Adjusted Median at				50% of AMI			
	Monthly		Minimum	\$	71,200	\$24,920	\$28,480	\$32,040	\$35,600	\$38,448	\$41,296	\$44,144	\$46,992
Unit	Fair Market	Utility	Affordable			1	2	3	4	5	6	7	8
Size	Rent	Allowance	Income	\$	50,034	\$17,512	\$20,014	\$22,515	\$25,017	\$27,018	\$29,020	\$31,021	\$33,022
Eff	\$530	\$45	\$23,000	Percent of adj. Income		25.52% 36.32%							
1Br	\$590	\$58	\$25,920	Percent of adj. Income		28.41% 40.43%	24.86% 35.38%						
2Br	\$688	\$71	\$30,360	Percent of adj. Income			28.99% 41.25%	25.77% 36.67%	23.19% 33.00%				
3Br	\$916	\$90	\$40,240	Percent of adj. Income				34.31% 48.82%	30.88% 43.94%	28.59% 40.68%	26.62% 37.88%		
4Br	\$1,109	\$109	\$48,720	Percent of adj. Income					37.38% 53.20%	34.61% 49.26%	32.23% 45.86%	30.15% 42.90%	28.32% 40.30%

Bolded percentages indicate cases where families are spending greater than 30 percent their adjusted income on household cost.

APPENDIX C: Rental Housing Affordability Matrices

Fair Market Rents for Existing Housing @ 60% of Area Median Income

Area Median Income: \$ 71,200 or family of 4
City Median Income: \$ 50,034 or family of 4

Unit Size	Monthly Fair Market Rent	Utility Allowance	Minimum Affordable Income	Adjusted Median at 60% of AMI									
				\$ 71,200	\$24,920	\$28,480	\$32,040	\$35,600	\$38,448	\$41,296	\$44,144	\$46,992	
				\$ 50,034	1	2	3	4	5	6	7	8	
Eff	\$390	\$45	\$17,400	Percent of adj. Income	18.78% 26.72%								
1Br	\$421	\$58	\$19,160	Percent of adj. Income	20.27% 28.85%	17.74% 25.24%							
2Br	\$544	\$71	\$24,600	Percent of adj. Income		22.92% 32.62%	20.37% 28.99%	18.34% 26.09%					
3Br	\$743	\$90	\$33,320	Percent of adj. Income			27.83% 39.60%	25.04% 35.64%	23.19% 33.00%	21.59% 30.72%			
4Br	\$895	\$109	\$40,160	Percent of adj. Income				30.17% 42.93%	27.93% 39.75%	26.01% 37.01%	24.33% 34.62%	22.85% 32.52%	

Fair Market Rents for New Construction @ 60% of Area Median Income

Area Median Income: \$ 71,200 or family of 4
City Median Income: \$ 50,034 or family of 4

Unit Size	Monthly Fair Market Rent	Utility Allowance	Minimum Affordable Income	Adjusted Median at 60% of AMI									
				\$ 71,200	\$24,920	\$28,480	\$32,040	\$35,600	\$38,448	\$41,296	\$44,144	\$46,992	
				\$ 50,034	1	2	3	4	5	6	7	8	
Eff	\$530	\$45	\$23,000	Percent of adj. Income	25.52% 36.32%								
1Br	\$590	\$58	\$25,920	Percent of adj. Income	28.41% 40.43%	24.86% 35.38%							
2Br	\$688	\$71	\$30,360	Percent of adj. Income		28.99% 41.25%	25.77% 36.67%	23.19% 33.00%					
3Br	\$916	\$90	\$40,240	Percent of adj. Income			34.31% 48.82%	30.88% 43.94%	28.59% 40.68%	26.62% 37.88%			
4Br	\$1,109	\$109	\$48,720	Percent of adj. Income				37.38% 53.20%	34.61% 49.26%	32.23% 45.86%	30.15% 42.90%	28.32% 40.30%	

APPENDIX D: Homeownership Affordability Matrices

Home Ownership Affordability Analysis

ASSUMPTIONS:

Interest Rate:	7.50%	Term:	30 Years
----------------	--------------	-------	-----------------

UNIT TYPE	Square Footage	Sales Price	Down Payment	Total Mortgage	P & I Payment	Utility Allowance	Taxes	Insurance	PITI plus UTILITY
2 BR	1,200	138,000	4,140	133,860	936	\$71	75	43	1,125
3 BR	1,400	161,000	4,830	156,170	1,092	\$90	75	44	1,301
4 BR	1,700	195,500	5,865	189,635	1,326	\$109	80	45	1,560

Percent of income applied towards housing expenses. = 30%

Percent in Bold font indicate lack of affordability at 30% Front-end ratio

Affordability at 50% of Area Median Income of \$71,200

UNIT TYPE	PITI plus Utilities	Affordable Income Req'd	Family Size and Area Median Income Affordability Analysis							
			1	2	3	4	5	6	7	8
			24,920	28,480	32,040	35,600	38,411	41,315	44,125	47,029
2 BR	1,125	44,999		47.40%	42.13%	37.92%				
3 BR	1,301	52,039			48.73%	43.85%	40.64%	37.79%		
4 BR	1,560	62,398				52.58%	48.74%	45.31%	42.42%	

Affordability at 60% of Area Median Income of \$71,200

UNIT TYPE	PITI plus Utilities	Affordable Income Req'd	Family Size and Area Median Income Affordability Analysis							
			1	2	3	4	5	6	7	8
			29,904	34,176	38,448	42,720	46,093	49,577	52,951	56,435
2BR	1,125	44,999		39.50%	35.11%	31.60%				
3BR	1,301	52,039			40.60%	36.54%	33.87%	31.49%		
4BR	1,560	62,398				43.82%	40.61%	37.76%	35.35%	

Affordability at 50% of City Median Income of \$50,034

UNIT TYPE	PITI plus Utilities	Affordable Income Req'd	Family Size and City Median Income Affordability Analysis							
			1	2	3	4	5	6	7	8
			17,512	20,014	22,515	25,017	26,992	29,033	31,008	33,049
2BR	1,125	44,999		67.45%	59.96%	53.96%				
3BR	1,301	52,039			69.34%	62.40%	57.84%	53.77%		
4BR	1,560	62,398				74.83%	69.35%	64.48%	60.37%	

Affordability at 60% of City Median Income of \$50,034

UNIT TYPE	PITI plus Utilities	Affordable Income Req'd	Family Size and City Median Income Affordability Analysis							
			1	2	3	4	5	6	7	8
			21,014	24,016	27,018	30,020	32,391	34,839	37,210	39,658
2BR	1,125	44,999		56.21%	49.96%	44.97%				
3BR	1,301	52,039			57.78%	52.00%	48.20%	44.81%		
4BR	1,560	62,398				62.36%	57.79%	53.73%	50.31%	

APPENDIX E: Housing Subsidy Calculations

This Appendix demonstrates that the City of Atlanta could not afford to recreate or sustain itself today in light of the existing distribution of incomes within the City, since the cost to house the existing mix of City residents would far exceed our ability to produce the needed housing. These tables highlight the concentration of poverty in the City, and show the substantial level of subsidy that would be required today, if the City's housing policy followed the nationally recognized standard that each household's housing costs should consume no more than 30% of the household's gross income:

- a) Assist all households earning over 30% of the City's Median Income to purchase an average priced home in the City
- b) Assist all households earning over 30% of the City's Median Income to obtain average priced new rental housing
- c) Assist all working households in the City to afford housing at the rents available for the existing housing stock

A. Home Ownership:

Income Range % of City Median	Average Income	Avg. 3 Bdrm. House Price*	Affordable Home Price	Per Unit Subsidy Req'd.	No. of Households	Subsidy Needed
30% - 49%	\$19,771	\$161,000	61,635	\$99,365	10,748	\$1,067,974,680
50% - 59%	\$27,279	\$161,000	88,621	\$72,379	8,786	\$635,918,469
60% - 79%	\$34,788	\$161,000	115,608	\$45,392	21,311	\$967,354,280
80% - 99%	\$44,798	\$161,000	151,590	\$9,410	13,969	\$131,454,449
100% - 120%	\$55,059	\$161,000	188,471	\$0	<u>22,771</u>	<u>\$0</u>
Total					77,585	\$2,802,701,878

* Based on 1,400 SF@ \$115 per SF.

APPENDIX E: Housing Subsidy Calculations

B. New Construction - Rental:

Income Range % of City Median	Average Income	Average Monthly Rent (Incl. Utilities)*	Affordable Rent Based On Income	Monthly Subsidy Required Per Household	No. of Households	Total Monthly Subsidy Required	Total Annual Subsidy Required
30% - 49%	\$19,771	\$971	\$494	\$476	10,748	\$5,119,452.43	61,433,429
50% - 59%	\$27,279	\$971	\$682	\$289	8,786	\$2,535,764.80	30,429,178
60% - 79%	\$34,788	\$971	\$870	\$101	21,311	\$2,150,530.30	25,806,364
80% - 99%	\$44,798	\$971	\$1,120	\$0	13,969	\$0.00	-
100% - 120%	\$55,059	\$971	\$1,376	\$0	22,771	\$0.00	-
Total					77,585	\$9,805,748	\$117,668,970

* Average monthly rent of \$906, plus average monthly utility allowance of \$65.60

Average apartment cost source: 2001 Dale Henson report.

APPENDIX E: Housing Subsidy Calculations

C. Existing Housing - Rental:

Income Range % of City Median	Average Income	Average Monthly Rent (Incl. Utilities)*	Affordable Rent Based On Income	Monthly Subsidy Required Per Household	No. of Households	Total Monthly Subsidy Required	Total Annual Subsidy Required
Less than 30%	\$ 14,500	\$810	\$363	\$447	23,000	\$10,283,300	\$123,399,600
30% - 49%	\$ 19,771	\$810	\$494	\$315	10,748	\$3,389,024	\$40,668,293
50% - 59%	\$ 27,279	\$810	\$682	\$128	8,786	\$1,121,219	\$13,454,626
60% - 79%	\$ 34,788	\$810	\$870	\$0	21,311	\$0	\$0
80% - 99%	\$ 44,798	\$810	\$1,120	\$0	13,969	\$0	\$0
100% - 120%	\$ 55,059	\$810	\$1,376	\$0	22,771	\$0	\$0
Total					100,585	\$14,793,543	\$177,522,519